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ANNUAL REPORT OF THE ADMINISTRATOR FOR 1996 AND RELATED MATTERS

Addendum

EVALUATION

SUMMARY

The present report, submitted in compliance with Executive Board decision 96/20, presents the main evaluation activities in 1996, including evaluative work at the country level (117 project level evaluations registered in Central Evaluation Database in 1996) and evaluations of regional, interregional and global programmes. Centrally, UNDP undertook six main evaluations in 1996. Their key findings and recommendations led to valuable follow-up actions relevant in the new programming process.

The report highlights the main substantive lessons emerging from evaluative activities conducted during the year, including: (a) importance of participation of beneficiaries; (b) realism and clarity in objectives; (c) need for baseline data and performance indicators; (d) reinforcement of organizational learning; and (e) multiplicity of procedures. The Administrator is committed to enhance the ability of UNDP to act on the lessons learned and to absorb findings into decision-making and strategy formulation.

The report documents the contribution of the evaluation function in the organization's response to these lessons and outlines actions taken by the Administrator to ensure even greater compliance with relevant legislation of the Executive Board. The Administrator has identified a series of key objectives to be realized. These are: (a) ensure broader coverage of the evaluative function by raising the profile of accountability and of staff and

programme performance monitoring and evaluation; (b) link evaluation more tightly to organizational learning and build arrangements that incorporate lessons learned from experience and feed them back into the system; (c) adapt current monitoring and evaluation requirements and guidelines to new programming arrangements while taking into account new methodological developments that have emerged from the international donor community; (d) enhance performance management measurement and the Executive Management Information System; (e) ensure greater capacity development at the national level and enhance training in evaluation; and (f) support a harmonized monitoring and evaluation system for all United Nations agencies.

The Executive Board may wish to take note of the results achieved through evaluation activities carried out in 1996 and of the continuing commitment of the Administrator to link evaluation more tightly to organizational learning.

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I. PURPOSE

1. In recognition of the importance of evaluation and monitoring as mechanisms to provide information on the operational progress and impact of UNDP activities, the Executive Board, in its decision 96/20, requested the Administrator, through the mechanism of the organizational plan, to ensure that evaluation and monitoring are firmly established in the management culture of UNDP.

2. Moreover, the Executive Board requested the Administrator to take a number of steps including: (a) raising the profile of accountability and of staff and programme performance monitoring and evaluation in the Programme so that all its divisions recognize the vital importance of these functions; (b) reviewing and revising, as necessary, and in the light of initiatives for change and the successor programming arrangements, the systems and criteria for selecting subjects for evaluation; the handling of evaluations in the Programme's implementation of its areas of focus; opportunities for joint evaluations with other United Nations bodies; and the actions required of Programme personnel, including clear objective-setting at all levels; (c) linking compliance with monitoring and evaluation procedures with the Programme's personnel management and reporting systems; and (d) reporting the results of strategic evaluations.

3. In reviewing the progress on the implementation of Executive Board decision 96/20, the present report provides an overview of the main evaluation activities in 1996, and then highlights the main substantive lessons emerging from evaluative activities conducted during the year. It documents the contribution of the evaluation function in the organization's response to these lessons, and outlines actions taken by the Administrator to ensure even greater compliance with relevant legislation of the Executive Board.

II. INTRODUCTION: EVALUATION MANDATE AND ACTIVITIES

Institutional arrangements

4. The Office of Evaluation and Strategic Planning (OESP) has the primary responsibility for tracking the evaluation function within UNDP. OESP is responsible for the overall evaluation policy, the development of UNDP evaluation methodologies and guidelines and the conduct of thematic and strategic evaluations. OESP provides guidance and technical support to project-level evaluations and monitors evaluation compliance rates of country offices, bureaux and units in headquarters.

5. Organizational responsibility for the evaluation of UNDP programme activities is decentralized to the appropriate operational level. The country offices, in collaboration with the programme countries, have the responsibility to conduct evaluations of country programmes and individual projects while the regional bureaux carry out evaluations of the regional programmes and headquarters technical units are responsible for global and interregional programmes.

Major evaluation activities

6. During 1996, a total of 117 individual UNDP-funded project evaluations (74 mid-term, 40 terminal and 3 ex-post) carried out in 1995 were recorded in the Central Evaluation Database (CEDAB). Two country programme evaluations (Malawi and Uganda) were initiated and carried out. In addition, nine project evaluations were undertaken by the United Nations Capital Development Fund (UNCDF), two by the Office to Combat Desertification and Drought (UNSO), and five by the United Nations Volunteers (UNV) in 1996. UNV also conducted two comprehensive assessments of overall organizational impact (Bhutan and Botswana).

7. Centrally, UNDP undertook six main evaluations in 1996: (a) evaluation of the environmental projects in Latin America and the Caribbean; (b) strengthening the work of the resident coordinators; (c) global, interregional and regional programmes; (d) fifth cycle Special Programme Resources (SPR); (e) co-financing modalities; and (f) public sector management and reform in the Arab States region. In policy formulation and new programme design, UNDP is relying increasingly on comprehensive thematic and strategic evaluations such as these because they permit the distilling of lessons from a large sample of projects and programmes in contrast to individual project evaluations, from which it is harder to generalize. A summary of the objectives, key findings and recommendations and follow-up actions from the strategic evaluations is included as an annex to the present report.

8. External evaluations providing comprehensive assessments of overall organization impact were completed in 1996 for the United Nations Development Fund for Women (UNIFEM) and UNV; an external assessment of UNDP was also carried out.

III. LESSONS LEARNED FROM EVALUATION ACTIVITY

9. A number of substantive lessons emerge from the conduct of evaluation exercises - whether undertaken at the project, programme or policy level. Concerns that had previously been identified in evaluations resurfaced in recent evaluation activity. Among the cumulative findings of evaluation work at all levels are some issues that assume a particular relevance at a time when UNDP stands at the beginning of a new programming period. These are: (a) importance of the participation of beneficiaries; (b) realism and clarity in objectives; (c) need for baseline data and performance indicators; (d) reinforcement of organizational learning; and (e) multiplicity of procedures.

10. OESP identified these five issues through a review of the strategic evaluations conducted in 1996. While several other areas of concern were also identified, including the issue of national ownership, these five issues were the ones that occurred repeatedly. In addition, these issues are likely to influence the ability of UNDP to measure performance and achieve results in the successor programming arrangements.

11. A review of the database was carried out in order to test the validity of the findings at the strategic level against the findings from country-based

project evaluations. The validation process was necessarily limited since the database contained fully processed information on only 57 of the 117 project evaluations in the 1995 portfolio. However, the information that was extracted from the database on 57 projects was valuable in understanding the findings of the strategic evaluations in all areas except for the multiplicity of procedures, which would not normally apply at the project level.

12. In addition, OESP reviewed the findings of the two country programme evaluations conducted in 1996 mentioned above (Malawi and Uganda), and found similar concerns.

13. In translating organizational experience into guidance for the new programming period, the following issues emerge as among the most critical to the future success of the overall programme of UNDP.

A. Participation of beneficiaries

14. Findings. It is a well-established notion that the relevance, effectiveness and impact of development cooperation interventions are dependent on the identification and participation of beneficiaries in the conceptualization, design and implementation of programmes. Unless interventions are based on the needs as perceived by the beneficiaries themselves, the latters' direct involvement and commitment are usually limited, resulting in few, if any, sustainable achievements. This lesson has been repeatedly borne out by UNDP evaluation work and corroborated by independent research undertaken by other donor organizations and academic institutions.

15. The concept of involving the beneficiaries is powerful but often linked in people's minds to grass-roots, village-level projects. While the immediate target of many UNDP projects is not grass-roots villagers, since projects are often designed to benefit the whole country, this lesson remains valid. Counterpart organizations, and their personnel who benefit from UNDP initiatives, must be involved actively in the formulation of projects. Target groups must also be invited to provide their views at an early stage of the programme/project cycle.

16. UNDP has taken steps to seek greater participation through involving civil society organizations in reviewing advisory notes and seeking views of beneficiaries in the evaluation process.

B. Clarity and realism in project and programme objectives

17. Findings. Ambiguity and/or lack of realism in stating objectives often lead to a focus on process issues in the subsequent operational phase, with an emphasis on short-term inputs and activities, rather than on the impact the activities may have on SHD concerns. Programme objectives that are too ambitious or vague can result from an attempt to address simultaneously several of UNDP organizational priorities. Increased attention must be paid to the need to establish objectives and operational goals that are both tangible and realistic at the project and programme level.

C. Baseline data and performance indicators

18. Findings. The formulation of projects and programmes is not always accompanied by the establishment of baseline data that can provide a foundation for measuring progress towards achieving objectives. Readily available and objective data are often absent and systematic, ad hoc baseline surveys are not sufficiently used. Mechanisms to measure substantive progress and assess managerial performance are absent. As a result, it is difficult to determine the ultimate sustainable human development (SHD) impact of initiatives. In addition, progress and performance tend to be reviewed in terms of anecdotal evidence of impact or nominal alignment to priorities, procedures and work plans.

D. Learning culture

19. Findings. The incentive structures of the organization and its programming systems do not contribute sufficiently to reinforce organizational learning. Lessons learned are not necessarily systematically reflected upon, validated, disseminated or acted upon by those for whom such lessons may be relevant. There has been a tendency to perceive monitoring and evaluation as instruments of control, accountability and compliance. Emphasis has been placed on the conduct of monitoring and evaluation activities rather than on the use of the substantive lessons arising from the process.

E. Multiplicity of procedures

20. Findings. Recipient country officials are overburdened by the multiplicity of administrative procedures imposed by the international development community, including those of UNDP. The tendency to focus on management processes rather than on achievements is reinforced by the need to attend to the differing requirements for the approval of proposals and to substantive and financial monitoring of implementation. This situation can contribute to the overlap of individual interventions and may constrain capacity development. Within UNDP itself, there have been significant differences in the administrative routines and requirements of numerous financial windows, in particular under the SPR, thus imposing high transaction costs on country offices.

F. Conclusions on substantive lessons learned

21. The lessons drawn from the 1996 evaluative work are not new. In fact, these lessons are to a large extent common to the development cooperation community as a whole. The Administrator is committed to enhancing the ability of UNDP to act on the lessons that have been learned and to absorb the findings into decision-making and strategy formulation.

22. The resounding message of evaluation findings is the need for the organization to become one that is more results-oriented, where the prospects for SHD are what guides programme formulation, where progress is a dynamic

process of participation and iterative learning, where monitoring is geared against reporting on impact, where substantive success is the standard against which performance is appraised, and where managers are held accountable for reaching established goals.

23. Investments made in the professional development of staff and in supporting substantive networking, together with the visibility associated with the global and national Human Development Reports, have changed the perception of UNDP by external partners in both programme and donor countries. The substantive capacity of the organization, particularly in the areas of governance and environment, is increasingly recognized. From the evaluation data, it appears that these newly strengthened capacities are further reinforced by the political impartiality and global presence of UNDP. In these two areas, UNDP is becoming a partner to national authorities in substantive policy dialogue at the same time that it is emerging as a vehicle for the implementation of development programmes funded by other donor organizations.

IV. MEASURES UNDERTAKEN TO STRENGTHEN THE EVALUATION FUNCTION

24. In response to lessons learned from evaluation and to strengthen monitoring and evaluation capacities further within UNDP, the Administrator has identified a series of key objectives: (a) ensure broader coverage of the evaluative function by raising the profile of accountability and of staff and programme performance monitoring and evaluation; (b) link evaluation more tightly to organizational learning, e.g., by building arrangements that incorporate lessons learned from experience and feed them back into the system; (c) adapt current monitoring and evaluation guidelines and requirements to new programming arrangements while taking into account new methodological developments that have emerged from the international donor community; (d) enhance performance management measurement and the Executive Management Information System (EIMS); (e) ensure greater capacity development at the national level and enhance training in evaluation; and (f) support a harmonized monitoring and evaluation system for all United Nations agencies.

A. Ensure broader coverage of the evaluative function

25. UNDP has set out as a specific objective in its 1996-1997 plan the promotion of greater substantive accountability by ensuring compliance with mandatory and other scheduled evaluations. Concerning the target for evaluation compliance, the indicator of performance is an increase in the overall average evaluation compliance rate to 70 per cent by December 1997 from 52 per cent in December 1995.

26. Following the presentation of the first UNDP report on compliance with mandatory evaluation requirements to the Executive Board in March 1996, the Associate Administrator wrote to each bureau head on the issue of compliance with mandatory evaluations. Staff of OESP contacted representatives of each bureau to collect data on compliance for mandatory evaluations for projects approved in 1988-1989. This effort was designed both to gain a better understanding of the constraints facing country offices in carrying out

mandatory evaluations as well as to map out corrective actions to be taken. OESP has also received reports from individual countries on various aspects concerning compliance.

27. OESP is a member of the Programme Management Oversight Committee (PMOC), chaired by the Associate Administrator, and formally reports to it twice annually on evaluation matters. OESP presented an initial evaluation compliance update to the PMOC in July 1996. At this meeting, it was decided that country offices would be requested to prepare and submit evaluation plans. OESP provided a second update to the PMOC in October 1996. The review of evaluation compliance by PMOC has provided additional stimulus to evaluation activity in the regions and the country offices. The annual report on evaluation compliance is presented as an annex to the present report.

28. OESP has worked with the regional bureaux and other units within UNDP towards a better understanding of the reasons affecting compliance with the requirement for mandatory evaluations. Following recommendations of OESP, the Administrator has directed that steps be instituted to address the constraints identified. These include a requirement for evaluation plans to be prepared by country offices and programmes managed at headquarters. Attention has been focused on country offices and divisions that have not had a high compliance rate.

29. It should be pointed out, however, that even in the case when there has not been strict compliance with the evaluation requirements, UNDP has initiated a number of measures to ensure that appropriate evaluation of its initiatives is undertaken from a substantive point of view.

B. Link evaluation more tightly to organization learning

1. Institutional mechanisms

30. UNDP is currently developing a more comprehensive system for absorbing lessons learned into its managerial and decision-making forums. In all UNDP operational oversight bodies, increasing attention is being paid to the clarity of programme objectives, the extent to which lessons learned have been incorporated into substantive programme design, and the inclusion of adequate performance indicators and managerial arrangements for monitoring and evaluation. This applies in particular to the PMOC and to local and regional bureaux Programme Advisory Committee (PAC) meetings, at which programme support documents, advisory notes and country cooperation frameworks (CCFs) are reviewed. Clear responsibility has thus been assigned to the PMOC and PACs to ensure that lessons learned are applied.

2. Reporting and dissemination

31. The selection of issues for strategic evaluation is, in part, a response to demands from the Executive Board, the Administrator and senior managers. These proposals are considered through a process of consultation in relevant policy and decision-making forums and with senior management. In addition, efforts are

undertaken to identify programme areas where there are significant gaps with respect to evaluation material. To widen the constituency and build demand for evaluations, the Administrator has requested that OESP solicit proposals for strategic evaluations from country offices in 1997.

32. To promote learning within UNDP and to demonstrate the independence of the evaluation function, the Administrator has established a policy of publishing and disseminating all strategic and thematic evaluations.

33. The system for the dissemination of findings that emanate from individual strategic and policy-level evaluation exercises includes:

(a) Debriefing by evaluation teams with senior managers and programme personnel from relevant regional bureaux and headquarters technical units;

(b) Presentation of evaluation findings to members of the PMOC, with recommendations of operational significance referred to relevant units and bureaux for action;

(c) Submission of evaluation reports to the Administrator, all heads of bureaux and divisions, senior field management and programme personnel; and

(d) Publication and distribution of strategic evaluation reports to programme country officials, country offices, donor agencies, Executive Board members, all United Nations system organizations, non-governmental organizations, academic institutions and independent experts.

34. The experience and lessons drawn from monitoring and evaluation pertaining to previous development cooperation activities constitute an important repository of learning and knowledge - an institutional memory of successes and failures covering policy, substantive, technical, institutional and administrative issues.

35. The development and testing of a more user-friendly windows version of the Central Evaluation Database (CEDAB) have lead to a greater decentralization of institutional memory. Summaries of individual project/programme evaluations are registered in CEDAB, which now contains more than 1,700 summaries. The new version has undergone field testing in the Brazil and Venezuela country offices as well as at a regional monitoring and evaluation workshop held in the Czech Republic. The revised CEDAB is now available for installation in all country offices, with supporting brochures, manuals and training materials. Easy access to CEDAB will enable project/programme managers to learn about the best and worst practices and the lessons learned from past evaluations in similar sectors, themes, regions or countries.

C. Adapt current monitoring and evaluation guidelines and requirements to new programming arrangements while taking into account new methodological developments that have emerged from the international donor community

1. Revision of the Monitoring and Evaluation Guidelines

36. Work has been undertaken to review and update the Monitoring and Evaluation section of the Project and Programme Manual (PPM), last issued in 1988, and the Guidelines for Evaluators, last issued in 1993. The purpose of the update, which will be completed during the first half of 1997, has been to incorporate the lessons in monitoring and evaluation that UNDP has learned over the years; to introduce new methodological developments that have emerged within the international evaluation community and the Expert Group on Evaluation of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC); to reflect new modalities such as national execution, the programme approach and participatory development; to address the issue of harmonization in the United Nations system; and to adapt the current guidelines to the new programming arrangements.

37. The revision is intended to promote a systematic process of consultation and review focused on a number of critical analytical issues. A description of this revision process and the following list of issues were presented to the Executive Board in an informal session in July 1996: (a) the linkage between monitoring and evaluation; (b) the linkage between monitoring and evaluation and programme/project formulation; (c) strengthening of the monitoring function; (d) evaluation coverage; (e) types of evaluation and their respective benefits; (f) indicators; (g) rating systems; and feedback and learning.

38. These items were subject to internal discussion based on issues papers prepared by OESP. In addition to wide circulation at headquarters units, these papers were also presented to the members of the Inter-Agency Working Group (IAWG) on evaluation for comments and were the subject of a Joint Consultative Group on Policy (JCGP) evaluation workshop held in January 1997. National professional officers (NPOs) from field offices in Africa and Asia have also taken part in the review and drafting of these guidelines. The resulting revised manual will be more substantive, without blurring the lines of accountability of the various partners. It also will offer guidance, through basic examples, on how to apply the guidelines to ongoing evaluation work at all levels in UNDP.

2. Participatory evaluation techniques

39. Efforts are under way to adopt new evaluation techniques. For example, OESP contributed to the design of a participatory evaluation undertaken in Swaziland during the first half of 1996. The evaluation was a joint endeavour of the Department of Development Support and Management Services (DDSMS), UNDP, the United Nations Development Fund for Women (UNIFEM) and the Government of Swaziland. On the basis of this and earlier participatory evaluation exercises as well as case studies and group exercises undertaken during the four regional

monitoring and evaluation workshops held in 1995-1996, OESP has produced a handbook on participatory evaluation.

40. The handbook is comprised of two elements: an overview of the nature and scope of participatory evaluation and a guide for trainers, which identifies key concepts and issues that require attention when introducing this approach in projects. The emphasis of the handbook is on the mapping of stakeholder interests and on techniques for interaction with community representatives.

41. Two major UNSO evaluations were undertaken in 1996, both applying a two-stage approach encompassing a participatory evaluation followed by an assessment by external and independent evaluators. The findings of the ex-post evaluation of the UNSO/Swedish Sahel programme will be discussed at an ex-post programme symposium scheduled for May 1997. The final evaluation of the Integrated Rural Development Programme for Seno Province, Burkina Faso, has been a critical input to the formulation of a follow-up programme to be undertaken by the Danish International Development Agency.

D. Enhance Performance Management Measurement and Executive Information System

42. UNDP has embarked on the development and establishment of a system for performance measurement that will align its mission, objectives and strategies with requirements at different organizational levels for programming, finance and administration. This system will address the measurement of efficiency, effectiveness, service quality, stakeholder concerns and client satisfaction.

43. During the first phase of this exercise, a conceptual methodology for preparing and monitoring projects in a results-oriented manner - the programme impact and performance assessment (PIPA) - was developed and tested in workshops in Bolivia, Costa Rica, Egypt and Viet Nam in 1995 and the first half of 1996. To complement and expand on work with PIPA, a study was carried out jointly with the Swedish International Development Cooperation Agency (SIDA) in 1996 that canvassed the latest thinking and experience on performance management among selected national government and donor agencies, reviewed what UNDP had in place and proposed steps to implement a comprehensive system for performance management in UNDP.

44. A prototype has been developed of the Executive Management Information System, the aim of which is to integrate and feed the results of the above initiatives into an information and accountability support tool to be made available to managers at all levels in UNDP. The prototype demonstrates how information extracted from substantive and non-substantive data sources can be structured and combined to provide managers at different levels with information they need to take decisions and assess and report on the status of their operations and their results.

45. In parallel with these initiatives, consultations have begun with the regional bureaux to build a methodology to identify baseline data in support of a system of performance measurement for regional programme activities. Furthermore, a framework has been developed for the monitoring of CCFs and for

the evaluation of country programmes. A review of country programming in Latvia, Nepal and Uganda has formed the basis of this work.

E. Ensure greater capacity development at the national level and enhance training in evaluation

46. Monitoring and evaluation are critical components of many of the 984 registered country-level projects and programmes that support national authorities by strengthening public-sector administration and/or the development of capacities for managing external assistance. Projects aimed specifically at the development of national capacities for monitoring and evaluation are currently under way in Brazil, Colombia, El Salvador, Guyana, Kenya, Morocco and South Africa.

47. UNDP has continued to conduct regional workshops on new dimensions in monitoring and evaluation, with programmes held in the Czech Republic and Malaysia during 1996. The principal objectives of the regional workshops are to enhance awareness of the importance of the monitoring and evaluation functions and to build awareness of practical approaches to the development of monitoring and evaluation. Further objectives are to assist programme countries in identifying areas where support may be needed. Finally, in connection with the work to update corporate guidelines on monitoring and evaluation, the workshops have also functioned as a forum for taking note of monitoring and evaluation realities and concerns at the country level and as a sounding board for testing specific issues pertaining to the guidelines.

48. A total of 120 professionals from 40 countries have received training in monitoring and evaluation at the workshops that have taken place under the programme. Participation from each country has targeted UNDP National Officers, government officials with evaluation responsibilities and NGO representatives.

49. The new dimensions of monitoring and evaluation that have been promoted during the workshops are results orientation, the focus on impact, participatory approaches, and the promotion of national capacities. Follow-up activities identified during the workshops include: action plans for development of country office and national evaluation capacities; formulation of projects and programmes for the development of specific national evaluation capacities; the promotion of networking on evaluation among programme country officials and UNDP country offices; and the development of a training programme tailored to implementation at the level of individual countries.

50. Training opportunities in monitoring and evaluation have been extended to Junior Programme Officers and deputy resident representatives. In-service training in monitoring and evaluation has been conducted for National Professional Officers from Indonesia, Lebanon, Peru, Madagascar, Sri Lanka, Uganda and Zimbabwe. NPOs from these countries have been posted to headquarters for periods of up to four months, during which they have taken part in the regular evaluation management functions of OESP and in the development of the evaluation methodologies of UNDP. Finally, OESP has hosted and provided in-house training to government officials of Morocco and South Africa.

51. In 1996, OESP and the Operations Evaluation Department of the World Bank established a framework for cooperation in evaluation. The agreement, which focuses on collaboration in supporting the capacity development of programme country authorities in evaluation, includes diagnostic studies on capacity development needs, the exchange of professional expertise and the provision of evaluation training to developing country officials.

52. The Directory of Central Evaluation Authorities, which included data on 134 programme countries, was last published in 1992. It includes names, addresses, and description of functions and responsibilities of national government institutions and officials that are involved in the monitoring and examination of the efficiency and effectiveness of governmental and donor-funded development activities. An updated version of this Directory is in production and will become part of the evaluation database of OECD/DAC as well as of CEDAB.

F. Support a harmonized monitoring and evaluation system for all United Nations agencies

53. The IAWG is comprised of representatives from United Nations agencies, the United Nations Secretariat and the multilateral development institutions. Chaired by UNDP, IAWG met in Geneva in November 1996 and exchanged information and proposals for enhanced coordination among evaluation offices of the United Nations system and the Bretton Woods institutions. Matters discussed included performance rating systems in the DAC and in the World Bank, institutional issues related to the functioning of evaluation and issues of oversight and harmonization.

54. In 1996, the JCGP Sub-group on Harmonization of Policies and Procedures finalized the "Common Guidelines on Monitoring and Evaluation". UNDP has shared these guidelines with all country offices. These guidelines represent the result of an extensive review of monitoring and evaluation procedures by JCGP members and provide a single set of parameters, based on common terminology and concepts as defined in previous work of JCGP. These common guidelines treat project- and programme-level monitoring and evaluation and recommend a common approach to mid-term reviews of country programmes and CCFs.

55. UNDP encourages joint evaluations involving UNDP and other agencies in cases where the other agency or agencies are clearly involved in the project/programme and would bring significant input into the evaluation process. Joint evaluations have proven quite successful at the country level but more difficult to coordinate at headquarters because of a lack of effective harmonization of monitoring and evaluation guidelines and requirements among different United Nations agencies as well as the slower and more complex negotiation process at headquarters. As a practical example of joint evaluations, UNDP has initiated a joint United Nations agency evaluation of cooperation activities with Cape Verde, involving UNDP, the International Fund for Agricultural Development (IFAD), the International Labour Organization (ILO), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Children's Fund (UNICEF), the United Nations Industrial Development Organization (UNIDO), the World Food Programme (WFP) and the World Health Organization (WHO).

56. Through its observer status in the OECD/DAC Expert Group on Evaluation, UNDP informs the DAC members about the main development in evaluation in the United Nations system. Through participation with the DAC group, UNDP is in a position to provide materials and advice to the members of the IAWG on recent developments within OECD/DAC.

V. EVALUATION CHALLENGES AND PRIORITIES

57. With the establishment of the Change Management Committee and the UNDP 2001 team, the organization has acknowledged the need for change and is seeking to formulate practical approaches to the renewal of the UNDP managerial culture, organizational systems development and operational practices. Change and organizational learning is also the objective of the Centres of Experimentation scheme.

58. The lessons that have been learned from evaluation to date dictate that future evaluation work be concentrated on three priority areas: (a) capacity development; (b) measurement of impact and performance; and (c) organizational learning. In addition, the need exists to develop a network of national professionals from the country offices that will be integrated into the broader evaluative work of UNDP and be given substantive responsibilities relating to many of the new initiatives on monitoring and evaluation.

A. Evaluation capacity-development in programme countries

59. Priorities for the development of the evaluation capacity of programme countries were identified at the subregional monitoring and evaluation workshops. Further workshops are planned for francophone Africa and the Arab States. In addition, a training programme aimed at country offices and national authorities is being formulated. Training will focus on the application of the new evaluation guidelines and the revised, field version of CEDAB. The practice of having NPOs on detail in headquarters to work on evaluation matters will continue. Furthermore, in cooperation with the World Bank, UNDP will develop a facility that will provide assistance to national authorities in the development of monitoring and evaluation capacities, including monitoring and evaluation pertaining to domestically funded development activities. Efforts to support the building of national capacity in evaluation will be integrated with assistance aimed at the broader issues of governance and public-sector management and reform. Support will be extended for networking among country offices and programme countries and OESP will introduce an Internet website that will give access and create linkages to global evaluation findings as well as provide a forum for the interchange of experience. Particular priority will be given to the promotion of developing-country experts as evaluation specialists. In this connection, a roster of evaluation experts will be developed.

60. UNDP has signed an agreement with the Government of Denmark to test the recommendations of the "Assessment of UNDP" study at the country level. The objective of the exercise, which will be undertaken in conjunction with the Centres of Experimentation, is to test the capacity-development assistance approach in two areas: effective, transparent management of public resources

for SHD and the creation of an enabling environment for people's participation and choice.

B. Methodologies for the measurement of impact and performance

61. The second phase of the exercise on performance measurement will focus on (a) implementing the proposed system for performance measurement on a pilot basis and in a participatory way in selected units at headquarters and in 30 country offices and (b) on building consensus to expedite the implementation process. This phase will involve the pilot units in the full identification of mechanisms for measuring performance as well as the requirements for resources, institutional arrangements, training and technical support. It will also include the organization, collection and dissemination of actual performance data. The pilot experiments will be documented and the lessons learned will be used in the preparation of a practical handbook on establishing and using mechanisms to measure performance in UNDP.

62. In 1997, OESP will intensify its work in support of the efforts of regional bureaux and country offices to establish baseline data and performance indicators for measuring impact. Generic methodologies will be developed to support the identification and operationalization of such indicators. The new Monitoring and Evaluation Manual and Evaluation Guidelines also emphasize the identification of programme impact.

C. Organizational learning

63. The Administrator continues to promote the adoption of a more comprehensive system for incorporating lessons learned from evaluation into all stages of the project and programme cycle. At the appraisal stage, efforts will be made to ensure that programme design demonstrates that proposed strategies are validated by previous experience. Mid-term evaluations will be designed to capture initial lessons that can be useful in improving the implementation of ongoing activities. The institutional memory of lessons learned at the project level (CEDAB) will be provided to country offices, where its use will be promoted. Continuous efforts will be undertaken to extend and improve the distribution of strategic evaluation reports, with added emphasis on fostering discussion on evaluation findings among UNDP managers and within decision-making forums. The Administrator will seek to introduce new measures, such as promoting synthesis reports of regional and sectoral evaluations, organizing workshops on lessons learned, promoting the application of these findings and developing Internet distribution and interaction.

64. UNDP will continue its work with the Centres of Experimentation (COEs), with financial support from the SIDA. The addition of Latvia in 1996 has brought to 10 the number of country offices, together with one headquarters unit, designated as COEs. A mandate was given to those offices to undertake innovative approaches to their substantive and administrative functions. A workshop entitled "The Country Office of the Future" was held in Cape Town, South Africa, in June 1996, where 53 proposals for change were identified by resident representatives and representatives from appropriate headquarters

units. The Centres of Experimentation are testing innovative approaches in the areas of management, services, programme improvement and coordination. Four guiding principles emerged in Cape Town that have become cornerstones for the change process in UNDP: (a) UNDP should be people-centred; (b) it should also be United Nations system-centred; (c) the various components of UNDP should operate as a mutually supportive, polycentric network; and (d) strategic decentralization should be pursued. All the Cape Town proposals were submitted to the UNDP 2001 team.

65. The COEs are responsible for identifying the areas and activities for experimentation and this initiative is providing a forum through which the country offices can voice their concerns and influence organizational change. A workshop of the COEs is scheduled in 1997 to review preliminary results of this initiative and assess the replicability of best practices and document the overall COE experience.

66. Evaluation is a knowledge-building function that can play an important role in organizational learning. It is the means by which UNDP can develop its capacity to analyse its performance, consciously learning the lessons from its programme. Evaluation can help to ensure that the organization's overall direction reflects the realities of programme performance as well as the needs of stakeholders. It thus becomes increasingly crucial that UNDP better understand the attitudinal, procedural and structural incentives or disincentives for organizational learning in order to remain relevant and to position itself as a knowledge broker in this information era.

VI. CONCLUSIONS

67. The Executive Board may wish to take note of the results achieved through the evaluation activities in 1996 and of the commitment of the Administrator to strengthen further measures taken to link evaluation more tightly to organizational learning.

Annex I

SELECTED EVALUATIONS

I. AN EVALUATION OF THE ENVIRONMENTAL PROJECTS IN LATIN AMERICA AND THE CARIBBEAN

Background and objectives

The United Nations Conference on Environment and Development (UNCED) was held in Rio de Janeiro in 1992. Considerable attention and resources have been channelled into solving problems relating to the environment in the region. The Regional Bureau for Latin America and the Caribbean (RBLAC) and OESP considered it timely to examine and assess the effect of the following:

(a) The environmental priorities of the region as established by UNCED and RBLAC, and the relevance and value of the support of UNDP in these priority areas;

(b) The appropriateness of assigned resources (efficiency), the quality and quantity of results achieved so far (effectiveness), the effect of these results on SHD issues (significance), the sustainability of the results, and the areas in need of policy reorientation, if any;

(c) The proposals for improving the capacity of UNDP to provide strategic support to the environment in the region.

Key findings and recommendations

The key findings and recommendations were:

(a) UNDP has played an important role in project identification. However, environmental projects have been identified according to the availability of funds and not following a specific environmental strategy for the region. To maximize the benefit of its funds, UNDP should develop a long-term environmental strategy;

(b) UNDP should draw on the enormous potential of its institutional memory to a greater extent to optimize the use of its resources;

(c) It is of paramount importance that UNDP develop baseline data about the environmental situation/problem that the project will attempt to improve or solve;

(d) UNDP projects should include mechanisms for monitoring environmental progress. This will be possible only with the development of baseline data and of clear, unambiguous objectives stated as results for all projects;

(e) Projects designed by external consultants may not be appropriated by stakeholders and other strategic actors, thus weakening national ownership and

sustainability. Thus, the use of local consultants at the project design stage is strongly recommended;

(f) The design of projects should be flexible and allow for modifications in accordance with changing conditions;

(g) Potential project beneficiaries and people who might be affected by the implementation of environmental projects should always be identified and consulted at the project identification stage;

(h) Greater attention should be paid to the role of women in the projects.

Follow-up

RBLAC has decided to prepare an environmental strategy for the region. It has also decided to disseminate more systematically the lessons learned from its environmental projects. The evaluation is scheduled for discussion by the Programme Management and Oversight Committee (PMOC).

II. STRENGTHENING THE WORK OF THE RESIDENT COORDINATORS

Background and objectives

This exercise was requested by the Administrator to address the following questions:

(a) How should the success of the resident coordinator be measured?

(b) How good is the coordination of United Nations operational activities for development on average? At its best? Which conditions contribute to its success and which militate against it?

(c) What techniques and procedures have proven successful?

The exercise was not conducted as an evaluation but rather as a review of the existing documentation followed by a validation in three countries: El Salvador, Viet Nam and Zimbabwe.

Key findings and recommendations

The key findings and recommendations were:

(a) Most of the documentation available focused on process and description rather than on substance and on an analysis of the effects of the work of the resident coordinators on the Governments of programme countries and on the United Nations system;

(b) In addition to the more traditional focus on the coordination of activities, there is evidence that the coordination of objectives is increasing;

(c) The work of the resident coordinator team is a complex undertaking that should not be oversimplified to derive generic answers. Country specificity precludes hasty generalization;

(d) Coordination is at its best in times of emergencies. Peace-building, democratization and human rights are also areas where success is tangible;

(e) Documented coordination successes in development work are rare;

(f) The future challenges for the resident coordinator system will be to mobilize the right team at the right time with a strong commitment for coordination that will provide appropriate and substantive support to the resident coordinator system at the country level and reward effective country teams.

Follow-up

The results of the review were well received by the Consultative Committee on Programme and Operational Questions (CCPOQ). UNDP has introduced most of the recommendations into the change management exercise and into its ongoing direct support to the resident coordinator system. The workshop on the country office of the future, held in Cape Town, was an opportunity to look again at the issue of strengthening the role of the resident coordinator. The replication by the United Nations system of the UNDP initiative on Centres of Experimentation is being considered by CCPOQ as a promising idea for stimulating initiatives to improve coordination at the country level and to contribute to the process of United Nations reform.

III. GLOBAL, INTERREGIONAL AND REGIONAL PROGRAMMES: AN EVALUATION OF IMPACT

Background and objectives

The background and objectives of this evaluation were as follows:

(a) Very few evaluations of global, interregional and regional programmes have been conducted in the past; consequently, OESP decided to conduct a strategic evaluation to examine some of the critical issues arising from these programmes;

(b) The main objective of the evaluation was to contribute to the definition of the strategic directions of the various intercountry programmes for the next programming period, especially in light of new programming arrangements and the proposed increased allocations for global, interregional and special programmes.

Key findings and recommendations

The key findings and recommendations were:

(a) The primary mandate of all intercountry programmes should be to investigate and demonstrate the utility of alternative methods of addressing core sustainable human development (SHD)/poverty eradication priorities;

(b) UNDP should (i) pay particular attention to efforts to facilitate joint-learning approaches with other donors, country partners and other stakeholder organizations in particular thematic areas and (ii) improve quality control, management, monitoring, information-sharing and organizational learning. Incentives should be developed to facilitate and encourage learning from project experience and information-sharing across projects and components of UNDP as an essential building block for an organization committed to SHD;

(c) Project guidelines should emphasize the importance of using a participatory and consultative approach;

(d) UNDP should undertake a realistic appraisal of its in-house capacities to provide professional support and direction to SHD programming. It should always ensure the sufficient internal allocation of human resources and money to permit its staff to play a proactive role in overall management and monitoring;

(e) Programming guidelines should be developed and enforced to make certain that all intercountry programmes include a satisfactory strategy for monitoring and evaluation;

(f) The administration should take steps to correct the weakness in project design and performance with regard to capacity development;

(g) Attention should be given by the administration to the absence of incentives for dealing adequately with the gender dimension in intercountry programmes.

Follow-up

In the course of the evaluation, an issues paper was prepared and shared with the various managers of the intercountry programme to help them in the formulation of their programme frameworks. At the end of the evaluation, a debriefing was organized, targeting relevant groups. As a result of these debriefings, the regional bureaux have decided to establish a working group to exchange information and experience on their respective regional programmes. Results of the evaluation were made available to all the members of the Executive Board before their deliberation of the global and regional programme frameworks. The evaluation is scheduled for discussion at the PMOC, leading to decisions on policy and operations.

IV. GLOBAL EVALUATION OF THE FIFTH PROGRAMMING CYCLE SPECIAL PROGRAMME RESOURCES

Background and objectives

The background and objectives of this evaluation were as follows:

(a) The global evaluation of the fifth programming cycle Special Programme Resources (SPR) was conducted at the request of the former Governing Council. The evaluation was important because: the magnitude of the resources that were diverted from the indicative planning figure (IPF) country resources and allocated to this programme; the significant number of programmes; the areas of focus included in the programmes; the management of the programme by UNDP headquarters; and the fact that there was no systematic entitlement to these resources by any programme country;

(b) A monitoring and evaluation framework was prepared by UNDP and presented to the Governing Council. All SPR subprogrammes were subject to a mid-term review or an evaluation. The global evaluation was designed as a wrap-up exercise of all these assessments and as an evaluation in its own right.

Key findings and recommendations

The key findings and recommendations were:

(a) The major SPR components and programmes report an impressive pattern of innovation, including new programme ideas, new methodologies for involving participants, new approaches to delivering assistance, and creative use of new technologies. Formal cost-sharing arrangements with non-UNDP funds were noteworthy (catalytic resource mobilization). Results were mixed with regard to the objectives of mainstreaming UNDP thematic emphasis into national IPF programming and development of the national capacities of programme countries;

(b) Effectiveness of SPR management was largely dependent on individual programme managers. Criteria for the allocation of resources have varied, with some SPR components responding directly to requests from country offices, others dividing resources such as entitlements to regional bureaux, and other components emphasizing a supply-driven approach. SPR has functioned effectively as a parallel system to the IPF;

(c) Compliance in reporting, monitoring and evaluation compliance has been good, but evaluations have focused mainly on process, conceptual issues and conformance to SPR criteria rather than actual, measurable impact and effectiveness;

(d) SPR have aided UNDP in transforming the organization from being simply a funding agency into an organization with a substantive capacity in important areas such as environment, public-sector management, HIV/AIDS and post-war economic rehabilitation;

(e) The evaluation team made three recommendations with regard to the new programming arrangements: to maintain a role for innovation; to improve substantive monitoring; and to ensure that evaluations focus on impact.

Follow-up

These recommendations are being taken into account during the preparation of the global cooperation framework to be presented to the Executive Board at its third regular session 1997.

V. CO-FINANCING MODALITIES

Background and objectives

The background and objectives were as follows:

(a) The former Programme Review Committee requested the Central Evaluation Office to conduct an evaluation of cost-sharing modalities in Latin America with a view to assessing the effects of this mechanism, particularly in terms of capacity-building efforts;

(b) The evaluation was mounted as a formative exercise that provided an overview of co-financing results for UNDP as a whole and for each region. However, a review of the experience of the Latin America and the Caribbean region was an important part of this assessment.

Key findings and recommendations

The key findings and recommendations were:

(a) The evaluators were not able to make a definitive assessment of the impact of these modalities in the Latin America and the Caribbean region owing to the worldwide scope of the exercise;

(b) The growth of non-core resources was spectacular in the fifth programming cycle, totalling $3 billion. However, it is concentrated in the Latin America and the Caribbean region. UNDP has developed a relationship of trust with the host countries in this region and has built its credibility in moments of crisis and change in the region;

(c) It cannot be assured that the Latin America and the Caribbean experience can be replicated in other regions. However, the experience of the region provides insights and lessons that have value for other countries;

(d) The sustainability of co-financing arrangements is not assured in the Latin America and the Caribbean region;

(e) In many country programmes of the region, cost-sharing had added substance and impact to social-sector and environmental management projects that are responsive to SHD;

(f) Building a consensus among Governments and donors on some common development priorities is a key factor in promoting co-financing arrangements;

(g) However, there is a risk that the cost-sharing modality may involve UNDP in projects in which it can make no substantive contribution; it can serve to finance ordinary government functions and create durable dependencies and a double-track civil service, which are not compatible with promoting good governance and capacity-building; and it can reorient country office staffing to handle administrative tasks that undercut capacities for engaging in substantive programming and policy dialogue;

(h) The evaluators made a wide range of recommendations relating to the development of a policy framework, co-financing strategies, management operations and further studies.

Follow-up

The evaluation report was used for drafting the new co-financing guidelines and the resource mobilization strategy within the change management process. The Latin America and the Caribbean experience has been widely used by other regional bureaux.

VI. PUBLIC-SECTOR MANAGEMENT AND REFORM IN THE ARAB REGION

Background and objectives

The subject of this evaluation was proposed by management in the Regional Bureau for Arab States in order to:

(a) Understand the evolving priorities, constraints and opportunities in public-sector management and analyse the contribution of UNDP in addressing the emerging core issues in the past and its role in the future;

(b) Assess the degree of effectiveness of projects in public-sector management;

(c) Draw lessons learned and propose elements for shaping a regional approach.

Key findings and recommendations

The key findings and recommendations were:

(a) The nature of the projects, their impact, and the sustainability of their results are country-specific;

(b) Sustainability depends upon whether the project results are used in the overall public-sector system for better decision-making and whether policies recommended by the projects are implemented;

(c) The collaboration of UNDP with Governments in public-sector reform tends to be more sustainable if the Governments make explicit commitments to change and assign high priority to this end in their budgets;

(d) Training for the sake of training has very little impact. Increased human resource and institutional capacity can lead to a genuine reform only if fiscal constraints and sectoral rigidities are eliminated;

(e) During the fifth programming cycle, UNDP has succeeded in designing programmes that responded to the most pressing needs of the countries;

(f) The most delicate and important task of UNDP should be to generate demand in the countries where demand is latent;

(g) A series of seminars should be organized for those who are involved in reform at the decision-making level in the region;

(h) UNDP should sharpen its strategic focus in order to develop its expertise in specific areas;

(i) The country offices should monitor the implementation of projects on a regular basis, preferably by independent monitors, since substantive accountability still rests with UNDP;

(j) The country offices should enhance the capacity of their staff in the area of public-sector management. A close collaboration between the country offices and the Management Development and Governance Division (MDGD) of the Bureau for Programme and Policy Support (BPPS) may prove to be very fruitful in this respect.

Follow-up

The results of the review have been shared in draft form with all of the country offices, the regional bureau and MDGD. A comprehensive debriefing has been held with senior management of the bureaux to present the main findings and recommendations. Specific presentation of the report is planned in the PMOC thereafter to discuss specific follow-up. The evaluation team shared its observations with the team that was formulating a regional strategy on governance. Also, in a number of instances, the country offices are using the report in their formulation dialogue for the new programming arrangements.

Annex II

EVALUATION COMPLIANCE

INTRODUCTION

1. The present review of evaluation compliance focuses on matters relating to accountability vis-à-vis the evaluation requirement and to the building of the institutional memory of UNDP. The review covers only evaluations carried out at the project level; other types of evaluations used in UNDP (e.g., thematic, policy) are outside the scope of the report.

2. UNDP is not aware of any similar exercise carried out by other bilateral or multilateral organizations. In this pioneering work, the analysis candidly reports on both weaknesses and strengths but should not lead to hasty judgements on the performance of UNDP to benchmarks which are thus not available. It should be noted that UNDP is the largest contributor to the database of evaluation reports of the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC). UNDP has decentralized its evaluation system at the project level, which makes comparisons with the majority of the aid agencies more difficult since their systems are centralized. Nevertheless, UNDP initiated the review to demonstrate its commitment to improving its performance with respect to compliance, which in turn should better ensure accountability, transparency and learning.

3. The report consists of the following sections: collection of reports and extraction of data; compliance analysis, including financial coverage; the system that is in place to oversee compliance on evaluation; and recommendations.

I. COLLECTION OF REPORTS AND EXTRACTION OF DATA

A. Global analysis

4. A total of 1,745 evaluation reports has been received for the period from 1986 to 1995. This represents an increase of 136 reports over the number reported last year and includes 117 evaluation reports for 1995 plus an additional 19 reports from previous years. As indicated in table 1, fewer reports have been received for 1995 than for 1994. Figures for 1996 will be provided in next year's report.

Table 1. Number of evaluation reports received by OESP by year of evaluation[a]

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Total	209	158	159	192	259	232	176	116	127	117	1 745

[a] Differences in the figures for 1986 and 1987 in this table and the corresponding table in the 1995 report are due to adjustments made to rectify previously incorrect recording of some evaluation reports.

5. The number of evaluations was smaller for the following reasons: the decrease in the number of projects approved at the end of the fifth programming cycle; the use of the programme approach which, by definition, means there are fewer projects; and the increased size of the projects belonging to the set of projects above $1 million. The slow delivery of resources in some country offices, discovered in 1995, was clearly an additional factor.

6. Extraction of data from the evaluation reports enables the easy retrieval of evaluation reports by topic, and facilitates the learning process and statistical analyses. The number of reports processed and the rate of data processing are presented in tables 2 and 3, respectively.

Table 2. Number of reports processed by year of evaluation

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
Total	59	87	134	147	204	153	151	87	73	57	1 152

Table 3. Rate of data processing by year of evaluation (%)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Average
Total	28	55	84	77	79	66	86	75	57	49	66

7. The extraction of data was centrally managed until 1990. In 1991, the decision was taken to make the evaluation team leader responsible for extracting data to ensure more substantive data processing. The period 1992-1993 was one of transition where centralized extraction was decreasing, as shown in table 4. Looking forward from this transition period, the results become less impressive despite many reminders to programme managers that they require receipt of the evaluation data sheet from the evaluation team leader prior to final payment.

Table 4. Number of evaluation reports processed

Processed by	1992	1993	1994	1995
Team leaders	118	72	57	52
OESP	33	8	4	0
Special actions[a]	0	7	12	5
Total	151	87	73	57

[a] Even fewer evaluations would have been processed if OESP had not started to extract data again in 1996; one person was hired who processed the 24 evaluation reports received for the years 1993, 1994 and 1995.

B. Breakdown of evaluation reports by bureau

8. The Regional Bureau for Asia and the Pacific (RBAP) has been the leading annual contributor to CEDAB since 1993 while the Regional Bureau for Africa (RBA) continues to be the largest contributor over the years (table 5). As a result of its low rate of extraction, however, RBA is not the lead contributor in terms of evaluation reports processed (table 6). The decline in the rate of extraction is evident for RBA and RBAP even though RBAP maintains some control of the process (table 7). The Regional Bureau for Arab States (RBAS) has improved its extraction rate. Percentages for the Regional Bureau for Europe and the Commonwealth of Independent States (RBEC) and the Bureau for Programme Policy and Support (BPPS) were not provided because they are not meaningful owing to the small number of their evaluation reports.

Table 5. Number of evaluation reports received by bureau by year of evaluation

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
RBA	78	74	78	90	137	107	76	36	48	38	762
RBAP	77	52	57	62	77	93	72	59	59	48	656
RBAS	18	22	9	9	21	12	12	7	7	7	124
RBLAC	20	3	14	29	22	17	14	13	12	19	163
RBEC	11	5	1	0	1	0	1	1	0	4	24
BPPS	5	2	0	2	1	3	1	0	1	1	16
Total	209	158	159	192	259	232	176	116	127	117	1 745

Table 6. Number of evaluation reports processed by bureau by year of evaluation

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
RBA	14	38	64	71	107	61	62	27	28	13	485
RBAP	34	39	50	48	64	70	67	52	42	33	499
RBAS	7	5	9	5	18	8	9	2	0	5	68
RBLAC	1	2	10	23	14	14	11	5	3	6	89
RBEC	2	2	1	0	0	0	1	1	0	0	7
BPPS	1	1	0	0	1	0	1	0	0	0	4
Total	59	87	134	147	204	153	151	87	73	57	1 152

Table 7. Rate of extraction as a percentage by year of evaluation

	Year of evaluation										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	Total
RBA	18	51	82	79	78	57	82	75	58	34	64
RBAP	44	75	88	77	83	75	93	88	71	69	76
RBAS	39	23	100	55	86	67	75	29	0	71	55
RBLAC	5	67	71	79	64	82	79	38	25	32	55
RBEC	Not meaningful										
BPPS	Not meaningful										

C. Conclusion

9. Two findings emerge: (a) the evaluation material holds considerable untapped potential for learning and (b) the extraction of data by evaluators is not reinforced by requiring that the extraction be completed before final payment. This situation jeopardizes the value of the database and the potential for organizational learning from the lessons contained in its projects.

II. COMPLIANCE ANALYSIS

A. Existing rules

10. For ease of reference, the UNDP rules for evaluation at the project level, which were established in 1987 and issued in the UNDP Programme and Projects Manual in 1988, are presented below:

> "A project with any of the following characteristics should be verified for evaluation. Explicit justification is needed if no in-depth evaluation is recommended:
>
> (a) the project is innovative, critical or particularly complex, or has other special or unusual features;
>
> (b) the UNDP budget (including cost-sharing) exceeds $1 million;
>
> (c) a contemplated substantive revision to the project will involve an addition to the UNDP contribution of $700,000 or more or an extension of two years or more; or
>
> (d) the project has serious difficulties."

B. Time-frame

11. In the 1995 compliance report to the Executive Board (DP/1995/CRP.7), two reasons were given with respect to why particular years were chosen for analysis:

(a) Project approval year 1988 was selected as the starting year for the analysis because the enforcement of the evaluation rules began at that time;

(b) The full cycle of evaluations for a generation of projects approved in a specific year is about eight years, which in turn limited the possibilities for a full analysis to the approval years 1988 and 1989.

12. In the present report, the study moves beyond 1988 and 1989 to provide information on projects approved in 1990. Table 8 shows the cycle of evaluations for projects approved since 1988. It now appears that the eight-year period that had been viewed as the length of a full evaluation cycle (mid-term, final and ex-post) for a project approved in a specific year must be extended since additional reports are expected from scheduled evaluations beyond that time-frame. Thus, while the present review of 1990 can help to identify emerging issues, the analysis must proceed cautiously with the available data in order to avoid hasty generalizations.

Table 8. Number of evaluation reports by year of project approval and year of evaluation

Year of evaluation	Year of project approval							
	1988	1989	1990	1991	1992	1993	1994	1995
1988	1							
1989	14							
1990	72	11						
1991	66	54	12	1				
1992	34	53	32	4				
1993	19	25	25	21	8	1		
1994	12	12	20	35	30	5		
1995	3	3	13	12	61	13	6	3
1996	1	2	2	3	7	14	5	2
Total	222	160	104	76	106	33	11	5

C. Mandatory and other evaluations

13. Of the four project characteristics that trigger an evaluation, projects with a budget above $1 million are not difficult to track. However, for projects with revisions that add over $700,000 to the budget, there is no easy means of tracking them with the present management information system (MIS).

14. A project with a two-year extension cannot be easily identified using the current MIS. The other two criteria - innovation and existence of problems - are more subjective and also cannot be traced with the present system. For the sake of simplicity, the 1995 report on compliance has been prepared from the perspective that projects with a budget of more than $1 million required mandatory evaluations while the evaluations for all other projects were optional.

15. Both mandatory and non-mandatory evaluations are decreasing. However, the number of non-mandatory evaluations is dropping at a lower rate. The figures for mandatory and non-mandatory evaluations for the years 1988, 1989 and 1990 are presented in table 9. The numbers for mandatory evaluation reports refer only to those reports received by OESP.

Table 9. Number of evaluation reports received by year of project approval

Year of project approval	1988	1989	1990	Total
Mandatory evaluations	150	111	56	317
Non-mandatory evaluations	72	49	48	169
Total	222	160	104	486

D. Financial coverage of projects subject to mandatory evaluation

1. Global picture

16. The sources of financial data for the analysis covering the years 1988, 1989 and 1990 are: (a) annual reports of the Administrator to the Executive Board and (b) the printouts entitled "Programme Information Profile" issued by the Division for Administrative and Information Services (DAIS) at the request of OESP. In a continuing effort to strengthen the reliability of data, OESP has used those sources this year instead of the UNDP Compendium of Ongoing Projects. The financial data in tables 10 and 11 include both indicative planning figure (IPF) and co-financing resources.

Table 10. Number of mandatory evaluations as a percentage of the total number of projects approved

Year of project approval	1988	1989	1990	Total
Number of projects approved	1 794	1 437	1 256	4 487
Number of projects above $1 million	257	213	210	680
Coverage in %	14	15	17	15

Table 11. Financial coverage of projects subject to mandatory evaluations and evaluated

($ millions)

Year of project approval	1988	1989	1990	Total
Financial resources for all projects approved	808	673	850	2 331
Financial resources for projects above $1 million	562	446	526	1 534
Coverage (%)	70	66	62	66

17. In considering only those evaluation reports that have been received and those awaited, the financial coverage is lower but acceptable, at least for 1988 and 1989.[1] It appears that the issue is not the appropriateness of the threshold of $1 million but rather evaluation compliance. Table 12 presents the financial coverage for evaluated projects.

Table 12. Financial coverage of projects subject to mandatory evaluations and evaluated

($ millions)

Year of project approval	1988	1989	1990	Total
Financial resources for all projects approved	808	673	850	2 331
Financial resources for evaluated projects above $1 million	400	292	207	899
Coverage (%)	49	43	24	39

2. Cost-effectiveness of the current system of mandatory evaluations

18. For the period under consideration, the projects above $1 million equal about 15 per cent of the number of projects approved. However, in terms of financial coverage, they represent an average of 66 per cent of the financial resources allocated for all projects. The $1 million threshold thus appears to be a very cost-effective cut-off point in terms of accountability since 15 per cent of the total number of projects eligible for mandatory evaluation represent 66 per cent of the financial resources allocated to all projects. It is worth noting that a target of 100 per cent financial coverage is not realistic in terms of the cost: the additional financial resources required for full evaluation coverage at the project level would amount to $38 million per year. Since other types of evaluations that capture additional projects and programmes are also carried out (e.g., country programme evaluations and thematic, sectoral and strategic evaluations), the financial coverage is potentially higher than the 66 per cent mentioned above. In the revised guiding principles for monitoring and evaluation, this threshold of $1 million is maintained owing to its cost-effectiveness.

[1] In establishing the financial coverage, the additional coverage provided by the optional evaluations (about 9 per cent) is not included in the rates.

E. Global compliance

1. Progress made since the first review

19. The first review was carried out in June 1995 and updated for the presentation of the 1996 report to the Executive Board. Successive internal updates were prepared in March 1996, June 1996 and November 1996. The present report reflects the situation in January 1997. The progress that has been made, based on the baseline data of January 1996, is presented in table 13.

20. Progress in collecting reports remains slow, but this is now localized to specific units. The lack of clear information on the status of evaluations remains an issue; however, the regular oversight of the system has introduced better discipline, and some supportive actions from bureaux, divisions and country offices have been noticed. Nonetheless, the situation is uneven. UNDP offices in Bangladesh, Côte d'Ivoire, Ghana, India, Indonesia, Malawi, Morocco, Nepal, Niger, Philippines, Senegal, Sri Lanka, Togo and Viet Nam merit being mentioned as offices where the level of compliance on evaluation is very high. It is also noteworthy that some of these offices have developed a strong portfolio of non-mandatory evaluations, e.g., Bangladesh, Ghana, Morocco, Niger, Sri Lanka and Viet Nam.

Table 13. Status of the 1988 and 1989 evaluation portfolios in January 1996 and 1997

	January 1996	January 1997
Projects subject to mandatory evaluation	470	470
Evaluation reports received	247	261
Reports awaited	13	39
Evaluations scheduled	10	10
Other actions	11	20
Not conducted	40	45
No clear information	149	95

21. The average rate of strict compliance for mandatory evaluations (calculated as the number of evaluation reports received divided by the number of projects subject to mandatory evaluations) for the biennium 1988-1989 are as follows: 52.5 per cent as of January 1996 and 55.5 per cent as of January 1997. The compliance rates for mandatory evaluations for the individual project approval years are given in table 14.

Table 14. Strict compliance rates by year of project approval as a percentage

Date of the review	1988	1989
January 1996	55.2	49.2
January 1997	58.3	52.1

2. Adjusted review for 1988-1990

22. After the 1995 report was circulated, legitimate concerns were expressed that the compliance review was not taking into account (a) the particular situation of countries in crisis; (b) the number of reports available but not yet received by OESP and/or the evaluations that had been scheduled; and (c) the management flexibility indicated in the evaluation rules. Therefore, the review for 1988-1990 was carried out with the first two of these concerns in mind.

23. Global compliance must be considered from many perspectives for a balanced appreciation of the situation. Therefore, some nuances in the categories of compliance are being introduced. First, evaluations that are not carried out in countries in crisis should be regarded as "evaluations not conducted, with full justification"; this applies to evaluations for projects approved in 1988, 1989 and 1990 in Angola, Burundi, Liberia and Rwanda in the Africa region; Afghanistan in the Asia and Pacific region; and Somalia and Yemen in the Arab States region.

24. Second, whereas the use of the concept of strict compliance should respond to the concern of those who want to ensure that rules are applied (the perspective of strict accountability), the inclusion of the concept of likely compliance (taking into account the number of expected reports and scheduled evaluations in calculating the compliance rate) provides some basis for measuring the expected long-term compliance rate and consequently the learning potential of project evaluations (learning perspective). These two categories have different uses and are neither contradictory nor meant to blur the lines of accountability. OESP anticipates addressing the issue of management flexibility in compliance in the 1997 compliance report after internal discussions with senior management.

25. The target set in the 1996-1997 UNDP corporate plan regarding the compliance rate was 70 per cent by the end of 1997 for the portfolio of projects approved in the biennium 1988-1989. It now appears that the target can be reached only if OESP receives all of the evaluation reports it has not yet received and all evaluations scheduled are carried out.

26. The situation for project approval year 1990 is a matter of concern in many ways: the low number of evaluations collected to date; the small number of reports available but not yet received by OESP; and the low number of evaluations scheduled. The rates for both strict compliance and likely

compliance are at very low levels (table 15). The lack of clear information on the status of evaluations from some units and offices is also a subject for concern. The submission of terminal or technical reports when the request is made for evaluation reports is not a sign of healthy management.

Table 15. Revised rates based on strict and likely compliance

	1988	1989	1990	Total
Mandatory evaluation (A)	257	213	210	680
Reports received (B)	150	111	56	317
Not conducted, with full justification (C)	12	11	16	39
Subtotal #1: (B+C)	162	122	72	356
Strict compliance (%): (B+C)/A	63	57	34	52
Reports awaited (D)	19	20	13	52
Evaluations scheduled (E)	6	4	17	27
Subtotal #2: (B+C+D+E)	187	146	102	435
Likely compliance if all reports are received(%): (Subtotal #2/A)	73	69	49	64
Not conducted but other actions	10	9	1	20
Not conducted but explained	18	19	7	44
No clear information	42	39	100	181

F. Compliance by the bureaux

1. Review of the period 1988-1989

27. The compliance rates by bureau for the period 1988-1989 appear in table 16.

Table 16. Compliance rates by bureau for 1988-1989

	RBA	RBAP	RBAS	RBLAC	RBEC	BPPS	TOTAL
Projects over $1 million	194	201	46	12	1	16	470
Evaluations received	110	128	15	6	0	2	261
Not conducted, with full justification	12	3	8	0	0	0	23
Strict compliance (%)	63	65	50	50	N/A	12	60
Reports awaited	24	7	8	0	0	0	39
Scheduled	2	5	3	0	0	0	10
Likely compliance (%)	76	71	74	50	N/A	12	71
Other actions	11	6	0	1	0	1	19
Not conducted	11	17	7	1	1	0	37
No clear information	24	35	5	4	0	13	81

28. To compare the progress made since the last report (table 17), it is useful to refer to the former definition of mandatory compliance that did not exclude countries in crisis from the total. Future reports, however, will take into account the full-justification proviso for such countries.

Table 17. Comparison of bureau rates for 1988 and 1989 (%)

	RBA	RBAP	RBAS	RBLAC	[illegible]	BPPS	Total
1995 report	55	60	29	50	N/A	Not published	52
1996 report	57	64	33	50	N/A	12	55

29. The regional programmes of most bureaux and the global and interregional programmes managed by BPPS either have not been evaluated or, if the evaluations have been carried out, OESP has not received any clear information on their status, as indicated below:

(a) BPPS: 16 mandatory evaluations - 2 conducted; 13 without clear status; 1 other action;

(b) RBA: 30 mandatory evaluations - 15 conducted; 15 without clear status;

(c) RBAP: 24 mandatory evaluations - 8 conducted; 16 without clear status;

(d) RBAS: 10 mandatory evaluations - 5 conducted; 3 not conducted; 1 scheduled and 1 without clear status;

(e) RBEC: 1 mandatory evaluation - 1 conducted;

(f) RBLAC: 2 mandatory evaluations: 1 conducted; 1 without clear status.

The lack of evaluation coverage was an important factor in the decision by OESP to launch a strategic evaluation of these programmes in 1996.

2. Compliance status for project approval year 1990

30. In terms of strict compliance, the results are not encouraging (table 18). RBAP is the only bureau that seems to be on track, based on the planned evaluations and the reports prepared by RBAP but not yet received by OESP. Few evaluations and the unclear status of the mandatory evaluations are common features for all bureaux except for RBEC, which has only one mandatory evaluation. The situation of regional, interregional and global programmes has not improved except in RBA.

Table 18. Compliance status by bureau for the 1990 portfolio

	RBA	RBAP	RBAS	RBLAC	RBEC	BPPS	TOTAL
Projects over $1 million	69	95	19	4	1	22	210
Evaluations received	23	29	1	0	1	2	56
Full justification	12	2	2	0	0	0	16
Strict compliance (%)	51	33	16	0	100	9	34
Reports awaited	2	10	1	0	0	0	13
Scheduled evaluations	2	13	2	0	0	0	17
Likely compliance (%)	57	57	32	0	100	9	49
Other actions	0	1	0	0	0	0	1
Not conducted	0	7	0	0	0	0	7
No clear information	30	33	13	4	0	20	100

3. Comparison of two project portfolios: 1990 and 1988-1989

31. It is useful to compare two portfolios of projects at a similar position in their cycle of development, namely, the situation in January 1997 for the 1990 generation of projects and that of the 1988-1989 portfolio in January 1996 (table 19). The compliance rate of the 1990 generation of projects is far behind the rate reached by the 1988-1989 portfolio at the same stage of its cycle of development in terms of strict and likely compliance. Furthermore, there is a very high number of project evaluations for which there is no clear information on their compliance status.

Table 19. Two portfolios of projects at a similar stage of development

	1988-1989 as of January 1996	1990 as of January 1997
Mandatory evaluations (A)	470	210
Reports received (B)	247	56
Not conducted, with full justification (C)	23	16
Strict compliance (%): (B+C)/A	57	34
Reports awaited (D)	13	13
Evaluations scheduled (E)	10	17
Likely compliance if all reports are received (%): (B+C+D+E)/A	62	49
Not conducted but other actions	11	1
Not conducted but explained	17	7
No clear information	149	100

G. Conclusions

32. The rate of compliance has improved for the generation of projects approved in both 1988 and 1989. The oversight system of compliance has stimulated better management of the portfolio of evaluations in many country offices.

33. The situation with regard to compliance is uneven globally and within each bureau. The lowest level of performance is associated primarily with the headquarters-managed programmes and projects, such as those that are regional, interregional and global.

34. The $1 million threshold appears to be a very cost-effective cut-off point in terms of accountability since 15 per cent of the total number of projects that are eligible for mandatory evaluation represent 66 per cent of the financial resources allocated to all projects. However, this potential for high coverage is compromised by the uneven and often poor rate of compliance.

III. OVERSIGHT SYSTEM

35. The Programme Management Oversight Committee (PMOC) reviewed in detail the compliance by bureau and country in July 1996. The recommendations made by OESP were fully endorsed. Most of the bureaux then sent strong messages to country offices requesting that they prepare an evaluation plan covering the period 1996-1997 for projects approved since 1990. Most countries in RBA, RBAP and RBAS have submitted evaluation plans. However, it is not clear that the bureaux see as yet the monitoring of the implementation of these evaluation plans as part of their management responsibilities. The PMOC has been regularly briefed by OESP on the progress made regarding compliance.

IV. RECOMMENDATIONS

36. The Office of Evaluation and Strategic Planning recommends the following:

(a) A massive operation of extraction of data from evaluation reports should take place, giving priority to projects that have been recently approved. This operation will support the decentralization of the database by increasing the number of evaluations captured and thus raising the learning potential of the database at the beginning of the new programming arrangements;

(b) The extraction of data by evaluation team leaders should be mandatory and fees should not be released until the data sheet has been completed;

(c) Biennial rolling evaluation plans and the monitoring of those plans should be an integral part of the management oversight of both country offices and headquarters units. The format of the evaluation plans should facilitate the tracking of evaluations by criteria (e.g., mandatory) and status (e.g., conducted, scheduled). Linkages with personal performance appraisal should be reinforced;

(d) OESP should ensure that the new guidelines for monitoring and evaluation clarify the policy on evaluation compliance;

(e) Flexibility should be maintained in applying evaluation rules, but the lack of justification or at least of clear explanations should be unacceptable;

(f) The new UNDP information system should be designed so as to facilitate the tracking of projects eligible for mandatory evaluations.

Annex III

EVALUATIONS 1995-1997

Evaluations completed by OESP

National Execution: Promise and Challenges

UNDP Assistance to the Energy Sector: An Ex-post Evaluation Study

A Study of Government Monitoring and Evaluation Systems: The Case of Morocco

A Study of Government Monitoring and Evaluation Systems: The Case of the United Arab Emirates

A Study of Government Monitoring and Evaluation Systems: The Case of Jordan

A Study of Government Monitoring and Evaluation Systems: The Case of Paraguay

Estudio de los Sistemas de Monitóreo y Evaluación: El caso del Paraguay

UNDP and the International Development Bank (IDB): Assessment of a Working Relationship

Strengthening the Work of the Resident Coordinators

Building Development Partnerships through Co-financing

The Global Evaluation of the Fifth Cycle Special Programme Resources

Special Programme Resources (SPR) for Training and Evaluation: An Assessment

Democracy, Governance and Participation: A Review of Projects in Kyrgyzstan and Ukraine

Evaluación Global de la Asistencia Técnica a los Proyectos de Fortalecimiento Institucional en Honduras

Regional, Interregional and Global Programmes and Evaluation of Impact

Evaluation of the Environmental Projects in Latin America and the Caribbean

Evaluation of the Public Sector Management and Reform in the Arab States

Country Programme Evaluation: Sri Lanka

Country Programme Evaluation: Niger

Country Programme Evaluation: Uganda

Evaluation of the NATCAP in Guinea

Ongoing evaluations

Evaluation of UNDP Support to Asian Transitional Economies

Rapid Assessment of the Operational Activities of the United Nations System in Cape Verde

Evaluations planned for 1997

Evaluation of the Programme Approach Modality

Evaluation of the Sustainability of UNDP-funded Programmes

Ex-Post Evaluation of Institution-Building Projects - Indonesia and/or Bangladesh

Country Programme Evaluation in the Arab Region

Evaluation of UNDP Assistance over a Twenty-Year Period to one country (country to be selected)

Evaluation of the Poverty Portfolio in Africa

Evaluation of the Centre of Experimentation (CoE) Initiative

Joint Evaluation with JCGP Agencies (in a medium- to large-sized African country; theme yet to be selected)

Evaluation of the Governance Programme in Latin America

Participatory Evaluation in Latin America (country to be selected)

Impact Evaluation on National Execution (countries to be selected)

Impact Evaluation on Co-Financing (countries to be selected)

Evaluation of the Department for Development Support and Management Services

Country Programme Evaluation in El Salvador